



BSC OPERATIONS HEADLINE REPORT

1 In this report you will find commentary on BSC market operation, identification of key events and reporting of key data.

2 The [Trading Operations Report](#) publishes key market data graphically, giving a performance indicator for the Balancing and Settlement arrangements.

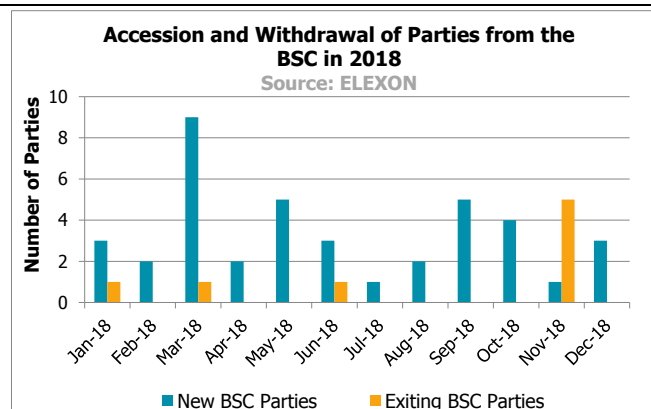
3 Trading Operations Report [Data](#). The graphs and backing data are available in Excel format on the ELEXON website.

ACCESSION AND WITHDRAWAL OF BSC PARTIES IN 2018

In 2018, 40 parties acceded to the BSC, with at least one new Party acceding each month. March, May and September were the most active months, with nine, five and five new Parties joining respectively.

Eight Parties exited the BSC last year, across four different months, with five leaving in November 2018.

This year, compared to last year, there have been 16 less Parties ascending to the BSC (40 this year, compared to 56 in 2017), meaning acceded Parties fell by 29%. However the number of Parties withdrawing from the BSC remained unchanged (eight in both 2017 and 2018).

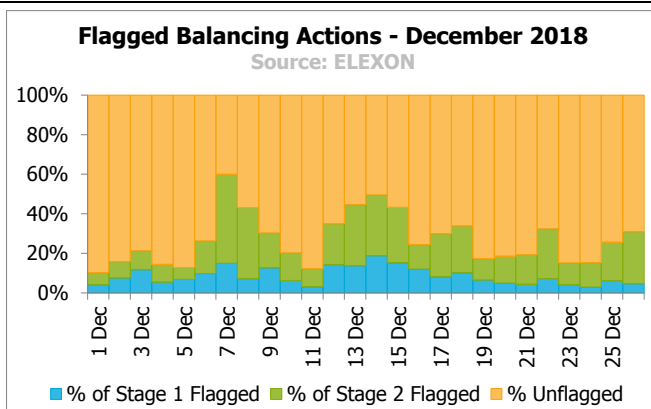


FLAGGED BALANCING ACTIONS ON 7 DECEMBER 2018

60% of balancing actions were Flagged in the System Price calculation on 7 December 2018. A total of 142GWh of balancing actions were taken on this date.

15% of actions were Stage 1 Flagged and retained their initial price. 45% of balancing actions were Stage 2 Flagged and lost their initial price. Note these are all accepted balancing actions – only a proportion of these will feed through to the final price.

73% of Sell actions (Bids and Sell Balancing Services Adjustment Actions) were Stage 1 Flagged; 61% of these were from Wind BMUs. The average initial price of a Flagged Wind Sell action was -£71.48/MWh.



SYSTEM PRICES IN DECEMBER¹

Monthly average System Prices for December were higher when short (2.9%), but lower when long (-0.5%), compared to November 2018. The average System Price regardless of length was **£60.94/MWh**, which was 2% lower than last month. In December 2018 the market was long in 60%, and short in 40%, of Settlement Periods.

System Prices exceeded £100/MWh a total of 50 times in December 2018, compared to 48 times in November. The highest System Price of the month, **£170/MWh**, occurred in Settlement Periods 34 to 37 on 9 December 2018. The price in these Settlement Periods were set by Offers from an OCGT BMU priced at £170/MWh.

There were seven Settlement Periods where the System Price was £0/MWh, and 16 negative System Prices, in December.

The lowest System Price, **-£68.40/MWh**, occurred during Settlement Periods 10 and 11 on 29 December. These prices were set by Bids from six Wind BMUs all priced at -£68.40/MWh.

Period	Average (£/MWh)		Average (£/MWh) Peak 07:00-19:00	
	Short System	Long System	Short System	Long System
Dec-18	83.95	45.39	89.01	49.38
Nov-18	81.59	45.63	86.16	48.07
Oct-18	83.92	45.61	87.77	49.07
Winter 18/19	83.59	46.28	88.71	50.48
Autumn 18	82.75	45.80	86.62	48.39
Summer 18	73.46	42.02	76.60	42.52
Spring 18	83.53	37.68	92.59	37.97
Winter 17/18	71.99	38.08	77.94	39.31
Dec-17	73.30	39.00	78.46	41.25

¹ System prices are based on the previous month's Interim Information (II) run data. For 31 December 2018, II data is not yet available, so BM Reports indicative System Price data has been used.

SEASONAL CHANGES IN OFFTAKING TLMS

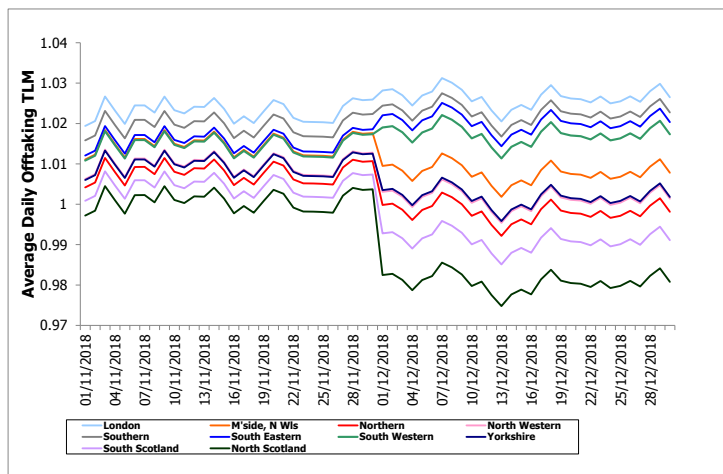
This graph is an adaptation of "Daily Average Offtaking Transmission Loss Multiplier (TLM)" from the Trading Operations Report, with a number of GSP Groups removed. Following implementation of P350 'Introduction of a seasonal Zonal Transmission Losses scheme' on 1 April 2018, TLMs vary by region and season. The change in Transmission Loss Factors (TLF) on 1 December, due to the change in season from Autumn to Winter, has impacted TLMs in some regions more than others.

The London, Southern, South Eastern and South Western GSP Groups saw the average Offtaking TLM increase from November to December. The South Eastern GSP Group had the largest increase in average Offtaking TLM, rising by 0.005.

The Merseyside and North Wales, Northern, North Western, Yorkshire, South Scotland and North Scotland GSP Groups saw a decrease in the average Offtaking TLM from November to December. The North Scotland GSP Group saw the largest decrease in Offtaking TLMs from November to December. Offtaking TLMs average 0.981 in December, compared to 1.001 in November.

The Eastern, East Midlands, Midlands and South Wales average Offtaking TLMs remained similar between November and December, so have not been displayed on the graph.

Historic TLM and Seasonal TLF data is available on the ELEXON Portal.



BALANCING MECHANISM VOLUMES IN NOVEMBER²

The total volume of balancing actions taken in the Balancing Mechanism for November was 1,532GWh, a 6% increase from October 2018. The majority (71%) of balancing volume in November came from Gas BMUs.

Accepted **Bid** volume increased by 7% from last month. Wind Bid volumes increased by 24%, Gas and Pumped Storage Bid volumes also increased by 4% and 15% respectively. Gas Bid volume accounted for 60% of total Bid volume, compared to 61% last month. Coal and Wind accounted for a combined 32% of total Bid volume.

Accepted **Offer** volume increased by 6% from October 2018. Gas and Coal Offer volumes increased by 5% and 9% respectively. In November, Coal and Pumped Storage accounted for a combined 16% of total Offers, with Gas Offers accounting for 84%.

Fuel Type	Bid Volume (MWh)		Offer Volume (MWh)	
	Nov-18	Oct-18	Nov-18	Oct-18
Coal	-132,481	-129,931	76,954	70,896
Gas	-497,853	-478,930	582,833	552,594
Hydro	-25,266	-21,362	1,364	1,364
OCGT	0	0	1,173	1,173
Pumped Storage	-38,742	-33,704	32,494	31,600
Wind	-131,422	-105,729	316	316
Biomass	-10,020	-10,020	833	833
Grand Total	-835,784	-779,674	695,966	658,776

TRADING CHARGES IN NOVEMBER²

Gross Party Imbalance cashflows were £138m in November 2018, a 9% decrease from £152m in October. Credits for being long and debits for being short both decreased, by £8m and £6m respectively between October and November.

Energy Imbalance Volumes decreased by 3% for Parties for that were long in November, and by 11% for those that were short.

Offer cashflow fell by 33% in November, with the volume of Offers decreasing by 30% compared to November. The average price per MWh of Offer volume decreased by 4% to £84.42/MWh.

Net **Bid** cashflow was -£17.3m in November, compared to £0.5m in October. Bid cashflow for negative Bids decreased by 60% compared to last month.

Total Cashflow (£m)	Nov-18	Oct-18	Sep-18	Aug-18
Long Imbalance Charge (Credit)	-67.67	-75.27	-60.16	-53.64
Short Imbalance Charge (Debit)	70.54	77.02	61.84	51.49
RCRC Credit	14.03	13.81	13.19	8.63
RCRC Debit	-11.17	-12.07	-11.51	-10.78
Offer Cashflow	58.76	87.58	92.82	44.44
Bid Cashflow (Positive Bids)	-27.88	-25.68	-20.39	-15.49
Bid Cashflow (Negative Bids)	10.60	26.19	29.09	8.43

² Balancing volumes and trading charges appear as per the latest month with Initial Settlement (SF) run data available.